

December 10, 1997

Mr. Matt Haber, Chief  
Permits Office (AIR-3)  
Office of Air Division  
EPA Region IX  
75 Hawthorne Street  
San Francisco, CA 94105-3901

Subject: Proposed Title V Permits:                      Tenby Inc. Proposed Permit No. 0012  
Chevron Proposed Permit No. 1494

Dear Mr. Haber:

The purpose of this letter is to confirm information provided to you during our telephone conversation on December 9, 1997 regarding the proposed Title V permits for Tenby Inc. (Permit No. 0012) and Chevron Platform Gail (Permit No. 1494). Four permit attachments have been revised based on our discussion and are enclosed for your review. With this additional information, we understand that EPA's formal objections to the proposed permits are resolved.

Attachment 71.3N4: This attachment details the vapor recovery requirements of Rule 71.3 for the crude oil and gas oil loading racks at the Tenby Inc. facility. As we discussed, the naturally occurring crude oil at this facility has a very low API gravity, high viscosity and low vapor pressure. The gas oil is used as a diluent and is similar to diesel or kerosene. For the District permitted emission calculations, gas oil storage tank calculations use a vapor pressure of 1.0 psia and crude oil storage tank calculations use a vapor pressure ranging from 1.3 to 3.4 psia. Because of this low vapor pressure, the annual inspection required by Rule 71.3 is sufficient periodic monitoring.

Attachment 50: This attachment details the opacity requirements of Rule 50. Your remaining concerns with this attachment were based on the potential use of fuel oil in external combustion equipment. Almost all fuel oil used in permitted equipment in the District is used in emission units subject to the requirements of Rule 74.15 or 74.15.1. All these emission units use fuel oil only as a backup fuel during periods of natural gas curtailment or for a maximum 50 hours per year to test the fuel oil system. None of these units is permitted to burn fuel oil on a regular basis as compliance with the NOx and CO limits of Rule 74.15 or 74.15.1 using fuel oil has not been demonstrated.

All permitted equipment on the currently proposed permits which is allowed to burn fuel oil is subject to Rule 74.15 or 74.15.1. If the District proposes to issue a Title V permit to a facility which has external combustion equipment permitted to burn fuel oil on a regular basis, a permit-specific Rule 50 attachment will be developed.

Attachment 71.1.N.4: This attachment details the vapor recovery exemption of Rule 71.1 for tanks that process water with an ROC content of less than 5 milligrams per liter. Tanks that contain water with an ROC content this low are used for storage prior to injection into the oil reservoir, or prior to discharge into a sewer system or the ocean. Additional process equipment, such as dissolved gas flotation cells or filters, are necessary to achieve this high level of water quality. For the case of water injection wells, clean water is necessary to avoid formation damage that would result in decreased injectivity. For discharge purposes, other agencies limit the ROC content through their own regulations. Because other regulatory or process needs, besides Rule 71.1, may require water to have a low ROC content, an annual water test is sufficient to insure compliance with Rule 71.1.

Attachment 71.1N6: This attachment details the roof and pressure-vacuum valve requirements of Rule 71.1 for portable storage tanks. The attachment also details the exemptions from vapor recovery for these tanks. As we discussed, these portable tanks are usually used on a temporary and short term basis for oil well maintenance activities. For tanks that are not permanently located at the facility, the District has revised this attachment to require compliance monitoring each time a portable storage tank is brought to the facility.

No Periodic Monitoring: The District has revised the condition in Attachment Nos. 52, 57.B, and 68 that states that periodic monitoring is not required for the purposes of compliance certification. These revisions are intended to make it clear that the compliance demonstration using EPA emission factors is only intended to relieve the permittee of periodic monitoring responsibilities, but not to infer that a unit subject to the requirement is automatically in compliance if there is other evidence that indicates that the unit may not be in compliance.

The final permits will be mailed under separate cover in early January. If you have any questions or wish to discuss this matter in further detail, please call me at 805/645-1420.

Sincerely,

Karl E. Krause, Manager  
Engineering Section

Enclosures

c: ARB  
Tenby Inc.  
Chevron

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